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NATIONAL FOREIGN INTELLIGENCE PROGRAM
FY-1984 BUDGET ESTIMATES

STATEMENT OF
HUGH MONTGOMERY, DIRECTOR
BUREAU OF INTELLIGENCE AND RESEARCH

Before
THE SENATE SELECT COMMITTEE ON INTELLIGENCE
(10 MARCH 1983)

Mr. Chairman and Members of the Committee:

(U) INR has two principal areas of responsibility:

1. To provide the Secretary of State and his staff with all-source intelligence information and analysis, which are relevant to their policy and operational responsibilities. It is our job, in short, to deliver to him information that is relevant to his concerns and timely in supporting his policy responsibilities. We draw on our own assessments and the information and analyses of the Intelligence Community, of which we are a part, in fulfilling this function.

2. As an integral and very active element of the

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Intelligence Community, INR is a participant in the preparation of community intelligence analyses and estimates and in the development of intelligence policy: tasking, setting of priorities, allocating resources among the various elements of the National Intelligence establishment. Our task is to ensure that intelligence activities are consistent with our foreign policy interests and objectives, and that our intelligence resources and activities are fully and imaginatively exploited to facilitate the decision-making process in the formulation of our foreign policy. Of course, there are important additional responsibilities, including liaison with other members of the Intelligence Community.

(C) While we refrained from requesting additional positions for INR in FY-1983, we now find it necessary to make a very modest request for nine additional positions in FY 1984. INR rarely has more than one analyst to cover two or three related countries in a given area. This gives us little flexibility to adjust to changing situations around the world. At the time the FY-1984 budget was prepared, we did not have a clearly defined long range plan for further development during the out-years. We now have such a plan, which carries us through 1992 for analytical intelligence production, and through FY-1988 for resources requirements. I am submitting a copy of this plan to the Committee as a part of my statement for the record.

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(U) INR is the smallest of the analytic elements in the intelligence community, and we want to remain that way. At the same time we are in a unique position, because of our close association with the decision makers, to provide the information and analysis that give informed and timely underpinning to the foreign policy process. Given the very lean resources now available to us in carrying out our mission, we do need a modest augmentation in both staffing and funding (particularly in information handling and analytical skills) to carry out fully our commitments to both the Secretary of State and the Intelligence Community. Our primary mission is to provide the Secretary of State with rapid, accurate and professionally researched intelligence and analysis on issues of direct concern to him. In this respect, INR utilizes the production of the entire community to fulfill the Secretary's keen interest in finished intelligence. INR's increased emphasis on Central America, the Persian Gulf, the Middle East, international monetary matters and international terrorism reflect the Secretary's own concerns about these subjects. As a full partner in the intelligence community, INR has a special responsibility to see that the community's overall efforts take the Secretary's interests and concerns into consideration.

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(C) We have requested nine new analyst positions for FY-1984. As these positions are filled, we will be able to realign analyst assignments to strengthen coverage of those areas of increasing concern to the Secretary of State and other senior officials. At the same time we intend to improve significantly our information handling capabilities with the installation of additional word processing equipment, improvement of the information handling systems currently in use, augmentation of our secure telephone equipment and a modest increase in critically important travel of analysts to their areas of responsibility.

(U) INR welcomes the community's efforts to augment and improve production. INR's unique combination of analysts from the career Foreign Service (with years of on-the-scene experience overseas), who spend two to four years in the Bureau, and Civil Service personnel who are permanently based in Washington and provide us with critical continuity, serves the community well. Each group contributes special expertise and experience that provides us with a high quality product.

(S) Based on this experience, I want especially to endorse the proposals to give analysts opportunities to travel and serve abroad on excursion tours and avail themselves of language training. The program placing both and INR

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analysts on Ambassadors' staffs for two-year periods is an immense success from every point of view. However, while I stated last year that we were exploring ways to expand this program and to institutionalize it as part of the NFIP under INR's administrative coordination, a lack of travel funds has temporarily precluded INR's implementing the program as anticipated. We hope to reestablish such details as soon as travel funds are made available. Excursion tours abroad for intelligence analysts not only improve production, but help Ambassadors improve their missions' reporting and analysis during a period of decreasing resources for the U. S. Foreign Service.

(U) As the State Department's senior representative in the Intelligence Community, I want to express my continued concern over the potential degradation of our intelligence capabilities likely to ensue from a continuing shortage of overt Foreign Service reporting assets. I am sure my colleagues here today will agree that Foreign Service reporting is a major source of quality intelligence that should not be allowed to deteriorate.

(C) Finally, Mr. Chairman, I'd like to point out that our need for an increase in analysts (we have included a request for nine analyst positions in the FY-1984 budget) is based on

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our efforts to strengthen staffs devoted to areas of major concern to the Secretary of State and other key administration officials. This request, while quite modest, reflects our first step into a five year resources augmentation program which should provide INR with a capability to respond more fully to the continuing needs of our policy makers.

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